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- ) Paul Del Giudice
- ) Registration No. 28,788

## 130.00 OP

Preliminary Amendment A filed concurrently with the present petition.

## **I. Basis for Request**

Applicants' request is made on the basis of actual infringement. In support of thereof, and as outlined in the attached Declaration of David C.

Read, Applicants allege:

A. There is an infringing method presently in use;

B. A rigid comparison of the infringing method with the claims of the application has been performed and establishes that the claims of the above-identified application are unquestionably infringed; and

C. A careful and thorough search of the prior art has been performed.

The \$130 petition fee set forth in 37 C.F.R. § 1.17(h) is enclosed, as required by M.P.E.P. § 708.02 (II). Any additional required fee may be charged to Deposit Account No. 13-2855.

## **II. Discussion**

### **A. Infringing Method Actually in Use**

Applicants refer the examining officer to the attached Exhibit A, entitled "Gift Cards Cover New Territory", which has been excerpted from the November, 2001 issue of Chain Store Age Magazine. As outlined therein, Safeway, Inc. is presently practicing a method (hereinafter "the Nordstroms" method) that infringes on or more of the claims. For example, referring to Col. 1, lines 23-26 of the attached Exhibit A, "Shoppers will begin seeing

Nordstrom cards at Safeway Stores in early November in a program that will last through December . . . ” Further, as outlined in the attached Declaration of Michael Bleser, the Declarant is aware of an actual purchase of a Nordstroms giftcard from a Safeway, Inc. affiliated location (through the Dominick’s chain of stores owned by Safeway, Inc.). Declaration of Bleser, ¶ 13. Thus, the Nordstroms method is presently in use.

Applicants next refer the Examining officer to the Bleser Declaration, at ¶¶ 5-11. As outlined therein, Safeway, Inc. is also presently practicing another method (hereinafter “the KB Toys method”) that infringes the claimed method. Specifically, Safeway, Inc. is presently selling KB Toys giftcards (hereinafter “the KB Toys cards”) that are redeemable at retail outlets of KB Toys and affiliated retail outlets. As outlined in ¶ 8 of the Bleser Declaration, the Declarant is aware of an actual purchase of a KB Toys giftcard, and has reviewed one of the KB Toys giftcards, that was purchased at a Safeway, Inc. location (through a Dominick’s retail location). Therefore, there is actual and ongoing infringing activity.

**B. A Rigid Comparison of the Infringing Method Has been Performed and Reveals Unquestionable Infringement.**

**1. The Nordstroms Method and the KB Toys Method Unquestionably Infringe Claim 1.**

As outlined in the attached Declaration of David C. Read, a rigid comparison of the infringing method with one or more claims of the application

shows that at least claims 1, 2, and 3, are unquestionably infringed. The rigid comparison reveals that the Nordstroms method and the KB Toys method incorporate each and every step of claim 1, and thus unquestionably infringe claim 1. More specifically, Safeway sells the Nordstroms giftcards, which are useable at Nordstroms, Safeway displays the Nordstroms giftcards in Safeway store locations, and the Nordstroms giftcards are activated upon receipt of a purchase amount from a customer, all of which is evident on the face of the attached Exhibit A. The active giftcard information is forwarded to a processor associated with the second retailer, as evidenced by the statement of Brook White, a Nordstrom spokeswoman (“Safeway cashiers have the ability to load the gift card so that our stores will know they have been activated.”) Exhibit A, col. 2, lines 12-15. Finally, as detailed in the attached Declaration of Michael Bleser, as with any stored value transaction, at least a portion of the purchase amount must be transferred to the entity eventually providing the goods or services (e.g., Nordstroms), or else there would be no business reason to enter into the “financial arrangements” in any event. Decl. of Bleser, ¶¶ 12 & 13, and Exhibit A, col. 1, lines 9-11. Therefore, for all of the reasons outlined above, the Nordstroms method unquestionably infringes the method claimed by claim 1.

With regard to the KB Toys method, Safeway (through it’s Dominick’s locations) displays and sells the KB Toys giftcards. The face of the KB Toys giftcards indicate that the giftcards are redeemable at KB Toys. The KB Toys

giftcards indicate they must be activated by the cashier upon receipt of a purchase amount from a customer. See Decl. of Bleser at ¶ 9 and attachment thereto. The active giftcard information is forwarded to a processor associated with the other listed retailers, as evidenced by the Bleser Declaration at ¶¶ 10 and 11. Also, as detailed in the Bleser Declaration at ¶ 11, as with any stored value transaction at least a portion of the purchase amount must be transferred to the entity eventually providing the goods or services (e.g., the redeeming KB Toys chain) or else the redeeming retailer would not be compensated when redeeming the giftcards purchased at Safeway, Inc. locations. Therefore, for all of the reasons outlined above, the KB Toys method unquestionably infringes the method claimed by claim 1:

2. The Nordstroms Method and the KB Toys Method Unquestionably Infringe Claim 2.

The Nordstroms method must provide for some sort of revenue share between Safeway and Nordstroms, or else the parties would not enter into the “financial arrangements.” Exhibit A, col. 1, line 10, and Decl. of Bleser ¶¶ 12 & 13. Similarly, the KB Toys method provides for revenue sharing between Safeway and KB Toys, a fact that has been confirmed by Michael Bleser. Decl. of Bleser ¶ 11. Therefore, the Nordstroms method and the KB Toys method unquestionably infringe claim 2, which depends from claim 1.

3. The Nordstroms Method and the KB Toys Method  
Unquestionably Infringe Claim 3.

The Nordstroms giftcards are “available in denominations of \$25, \$50, and \$100.” Exhibit A, col. 2, lines 5-7. Thus, the Nordstroms giftcards have a preset credit value. The KB Toys giftcard is available at least in a \$15 denomination. Therefore, the Nordstroms and KB Toys methods unquestionably infringe claim 3, which depends from claim 1.

**C. A Careful and Thorough Search Has Been Performed**

A pre-examination search was made, as required by M.P.E.P. § 708.02

(II) (C). The following areas were searched:

- (1) class 705, subclasses 14 and 26;
- (2) class 235, subclasses 380 and 381; and
- (2) class 700, subclasses 231, 232 and 233.

The art developed in the search has already been made of record in the application by virtue of the Information Disclosure Statement filed on August 1, 2001. Further, Applicant only recently has obtained an additional reference, namely U.S. Pat. No. 5,732,136, which is being made of record in the application by a Supplemental Information Disclosure Statement filed concurrently herewith.

In accordance with the fifth paragraph of M.P.E.P. § 708.02 (II), one copy of the reference listed in Supplemental Information Disclosure Statement

is attached hereto. Should the Officer desire a copy of the references already of record, the Officer is invited to contact the undersigned attorney.

### III. CONCLUSION

Applicant has complied with every aspect of 37 C.F.R. §1.102 and M.P.E.P. §708.02 (II). The infringement is actual and ongoing rather than prospective, a rigid comparison of the infringing method to the claimed method(s) establishes unquestionable infringement, and Applicant has caused to be performed a careful and thorough search of the prior art, and all references have been made of record. Therefore, Applicants respectfully request that this application be granted special status for examination under 37 C.F.R. §1.102 and M.P.E.P. §708.02 (II).

Respectfully submitted,

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